Tokyo At A Glance

Population 35 Million (Greater Tokyo Area)
Location Capital of Japan
GDP $5.103 trillion (2007 est.)
Inflation 0% (2007 est.)
Interest 0.5%
Unemployment 3.8% (2007 est.)
Conversion 1 USD = 107.67 JPY

<table>
<thead>
<tr>
<th>Property</th>
<th>Rent/SF/Year Low</th>
<th>High</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Office</td>
<td>Class A</td>
<td>$ 69.63</td>
<td>$ 78.91</td>
</tr>
<tr>
<td>Suburban Office</td>
<td>Class A</td>
<td>$ 55.70</td>
<td>$ 64.99</td>
</tr>
<tr>
<td>Industrial</td>
<td>Bulk Warehouse</td>
<td>$ 18.57</td>
<td>$ 32.49</td>
</tr>
<tr>
<td>Retail Downtown</td>
<td></td>
<td>$ 139.26</td>
<td>$ 278.52</td>
</tr>
</tbody>
</table>

NAI Japan provides local market expertise in Japan.

About NAI Global:

NAI Global is one of the world’s leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

375 Offices
55 Countries
8,000 Professionals
$45 billion Annual Transaction Volume
250 MSF of Property Management

For more information about NAI Global please visit www.naiglobal.com or call 609.945.4000

February 2007

A major international finance center, Tokyo houses the headquarters of several of the world’s largest investment banks and insurance companies, and serves as a hub for Japan's transportation, publishing and broadcasting industries.

- Demand for office, retail and well-located industrial and residential properties remain strong, resulting in unit rental increases in all sectors, most notably in retail and office. The continued availability of relatively low interest financing continues to bolster values as well.

- Strong demand for Class A and B office properties is driving down vacancy rates and rents are rising, particularly in central Tokyo. Class A and B office properties continue to trade at low net yields as demand from institutional investors, including the new JREITs, remain very strong. With rents increasing, investors perceive much less downside risk and remain very aggressive in their underwriting. The continued low interest rate environment also continues to fuel investor demand.

- The industrial sector in Japan continues to be the weakest in terms of land value movements, particularly in the more remote areas, but values and rents have finally stabilized. Industrially zoned properties that can be converted to other commercial uses, especially suburban retail or residential, tend to fare better than those that have no choice but to wait for the next industrial user.

- Logistics companies continue to be very active in reconfiguring their distribution locations throughout the country, and manufacturing continues to move to lower cost regions and overseas, particularly China.

- Land values at prime retail locations have reached a peak after strong increases from 2005 to 2007. In central Tokyo, some prime central locations have experienced increases in values for four consecutive years. The story is different in suburban locations, where big-box retail users continue to outbid warehouse demand everywhere they can. Overall, retail in Japan continues to evolve from small, family owned shops to a sector increasingly dominated by convenience stores as well as national and regional shopping centers and specialty stores.